

Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 SS-15 SP-02 EB-07 INR-07 L-03 PRS-01

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P 200059Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA PRIORITY

C O N F I D E N T I A L STATE 040633

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E.O. 11652:GDS

TAGS:EAID, EGEN, ZA

SUBJECT: US ASSISTANCE TO ZAMBIA

1) IN DISCUSSIONS WITH ZAMBIANS ON POSSIBILITIES FOR US ASSISTANCE, DEPT. HAS STRESSED THAT GRZ SHOULD NOT RPT NOT EXPECT UNTIED CASH TRANSFERS AND THAT GRZ MUST FOCUS INSTEAD ON AVAILABLE ASSISTANCE MECHANISMS INVOLVING VARIOUS FORMS OF IMPORT FINANCING. TO ASSIST DEPT. IN FORMULATING AID PACKAGE FOR ZAMBIA, EMBASSY COMMENTS ON FOLLOWING POINTS WOULD BE MOST USEFUL:

2) PL 480: OF COMMODITIES WE UNDERSTAND ZAMBIA CURRENTLY IMPORTING, WHEAT AND RICE APPEAR POSSIBILITIES FOR PL 480 TITLE I FINANCING. HOWEVER, THERE MAY BE PROBLEM OF UMRS. IN ORDER REACH PRELIMINARY VIEW THIS MATTER REQUEST EMBASSY CABLE INFORMATION ON CY 1975 AND EXPECTED GRZ CY 1976 AND
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CY 1977 IMPORTS WHEAT, RICE, AND COTTON WITH INDICATION

SOURCES CY 1975 AND ALREADY CONTRACTED CY 1976 IMPORTS.
ALSO WHETHER ANY OF THESE REQUIREMENTS BEING SUPPLIED ON
CONCESSIONAL TERMS.

3) OTHER B/P ASSISTANCE:MAGNITUDE POSSIBLE OTHER B/P AID
IS MATTER BEING DISCUSSED WITHIN EXECUTIVE BRANCH AND WILL
REQUIRE CONGRESSIONAL ACTION, TIMING OF WHICH CANNOT BE

PREDICTED NOW. FOR PRELIMINARY PLANNING PURPOSES REQUEST
REPORT EMBASSY VIEWS ON TYPES AND DOLLAR VOLUME OF
COMMODITIES EXPECTED TO BE IMPORTED FROM U.S. IN CY 1976
AND CY 1977 WHICH PROBABLY NOT ELIGIBLE FOR EX-IM FINAN-
CING. ALSO, INDICATION ESSENTIAL COMMODITIES SUITABLE
FOR PROCUREMENT FROM U.S. WHICH MAY NOW BE COMING FROM
OTHER SOURCES ON COMMERCIAL NON-AID TERMS. PRICE CONSIDER-
ATIONS IMPORTANT. PARTICULARLY INTERESTED IN AGRICULTURAL
INPUTS SUCH AS EQUIPMENT, FERTILIZER, PESTICIDES, ETC.

4) HOUSING INVESTMENT GUARANTEE: IN DISCUSSIONS WITH
HOUSING SURVEY TEAM EMBASSY SHOULD EXAMINE FEASIBILITY OF
PROGRAM IN LIGHT CURRENT FINANCIAL AND TRANSPORT SITUATION.
IN OTHER WORDS, CAN QUICK DISBURSING HOUSING PROGRAM BE
DEVELOPED NOT REQUIRING COMMODITIES WHICH WILL BE DIFFICULT
TO TRANSPORT TO ZAMBIA?

5) EX-IM: ONLY SPECIFIC ZAMBIAN FINANCING REQUEST WAS
FOR HEAVY MINING MACHINERY. THIS WOULD APPEAR TO BE
SUITABLE FOR EX-IM BANK FINANCING. DOES EMBASSY HAVE ANY
FURTHER SPECIFICS AS TO WHAT ZAMBIANS MAY HAVE IN MIND?

6) REPLIES TO ABOVE QUERIES SHOULD AT THIS TIME BE BASED
ON INFORMATION READILY AVAILABLE TO EMBASSY AND SHOULD
TAKE ACCOUNT TRANSPORTATION BOTTLENECKS BEING EXPERIENCED
BY GRZ AS WELL AS PROBLEMS PREVIOUSLY ENCOUNTERED IN
DRAWDOWN AID PROGRAM LOAN. IN LATTER CONNECTION PRIVATE
OR COMMERCIAL SECTOR IMPORTS MAY LEND THEMSELVES MOST
EASILY TO QUICK DISBURSING USG FINANCING. WE ALSO ASKED
ZAMBIANS TO PROVIDE SPECIFIC SUGGESTIONS FOR TRANSPORTATION
OF USG-FINANCED IMPORTS. INGERSOLL

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, PL 480, FOREIGN ASSISTANCE, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE040633
Document Source: CORE
Document Unique ID: 00
Drafter: HHJANIN:SEH AID/ESA:JKNOLL
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760063-0329
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760229/aaaaazdq.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUL 2004 by saccheem>; APPROVED <19 OCT 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US ASSISTANCE TO ZAMBIA 1) IN DISCUSSIONS WITH ZAMBIANS ON POSSIBILITIES FOR US
TAGS: EAID, EGEN, ZA, US
To: LUSAKA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006